



Ontario

**Ontario Farm Products
Marketing Commission**

**Annual Report
For Fiscal Year
2010 – 2011**

Ontario Farm Products Marketing Commission

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MESSAGE FROM THE CHAIR

During fiscal 2010-11, the Ontario Farm Products Marketing Commission (the Commission) published its 2010-2013 Strategic Plan. The Commission's Vision is "Dynamic, competitive agri-food sectors". Our Mission is "to lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change." The three Strategic Objectives of the Plan are:

1. Ensure effective performance of Marketing Boards
2. Foster enhanced stakeholder collaboration to achieve sector solutions
3. Advance Ontario's interests in regulated marketing

As part of its efforts to ensure the effective performance of Marketing Boards, the Commission communicates its expectations and regularly meets the groups it oversees. For example, during fiscal 2010-2011, eleven Boards and three Representative Associations reported to the Commission on their priorities, activities and performance.

The Commission offered formal and informal training for Board and Section 12 Representative Association members and senior staff. This included a full day session in April, 2011 where participants received training on governance, the rules of regulated marketing and best practices for Boards.

Fostering enhanced stakeholder collaboration to achieve sector solutions was also a major thrust in 2010-11. The Commission worked closely with the Chicken Farmers of Ontario and the Association of Ontario Chicken Processors to develop a new model to enhance communication and improve industry relations and decision-making. The Chicken Industry Advisory Committee was established, including three working groups: 1) Chicken Allocation; 2) Value Chain Development; and, 3) Risk Management and Sustainability.

The Commission also worked with a number of sectors on efforts to improve relationships along the value chain. This included the development of Industry Advisory Committees for the white bean, hog and grain sectors which included representatives from producers, processors and other players along the value chain.

To advance Ontario's interests in regulated marketing at the national level over the 2010-2011 fiscal year, the Commission attended national meetings to press for a better result for Ontario's agri-food industry. Through the work of the Chicken Industry Advisory Committee, the Commission was able to help the producers and processors develop a strong "Team Ontario" approach that enhanced Ontario's influence in national discussions.

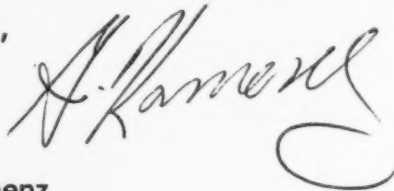
In October 2010, an Agreement on Internal Trade (AIT) panel found that the Ontario regulations respecting dairy-edible oil spreads and filled milk products

were inconsistent with Ontario's commitments under the AIT. In November of 2010, the Minister directed the Commission to take the necessary actions to bring Ontario into compliance by February 1, 2011. Working with affected industry, the Commission moved forward with amendments to the appropriate regulations under the *Milk Act* to meet the Minister's direction. The changes to the regulations were effective January 31, 2011.

The Commission also worked with the Ontario Ginseng Growers Association (OGGA) to increase grower fees to maintain the sustainability of the organization. The OGGA had not increased their grower fee since they were established over ten years ago. The Commission worked with the OGGA to: assess the case for an increase; consult with growers; and, secure the required approvals. The higher fee was implemented on January 1, 2011.

The Commission continues to work closely with Ontario's 20 Marketing Boards and four Representative Associations, and related stakeholders to maximize their contribution to Ontario's agri-food sector.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Kamenz", with a large, stylized flourish at the end.

Geri Kamenz
Chair, OFPMC
June 2011

OVERVIEW

Profile

The Ontario Farm Products Marketing Commission (the Commission) is a regulatory agency without a governing board. It is established under the authority of the *Ministry of Agriculture, Food and Rural Affairs Act*. At the close of 2010-11, the Commission provided supervision to 20 agricultural commodity Marketing Boards and four Section 12 Representative Associations established under legislation.

While supervision of enabling legislation is a cornerstone of the Commission's agency mandate, the Commission also provides strategic leadership and intervention in the form of advice and facilitation. In addition, the Commission provides education programs where it can contribute to the effective operation of Ontario's regulated marketing structure and the Boards that operate under the legislation.

Vision

"Dynamic, competitive agri-food sectors"

Mission

"To lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change"

Mandate

The mandate of the Commission is to:




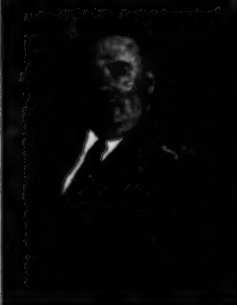
1. Administer the provisions of the *Farm Products Marketing Act (FPMA)* and the *Milk Act (MA)* and certain regulations governing regulated marketing; make regulations under these Acts governing regulated marketing and supervise the activities of Ontario's Marketing Boards and Section 12 (of the *FPMA*) Representative Associations to ensure that:
 - o Marketing Boards and Section 12 Representative Associations operate within the powers and authorities given to them;
 - o The lines of accountability are maintained.

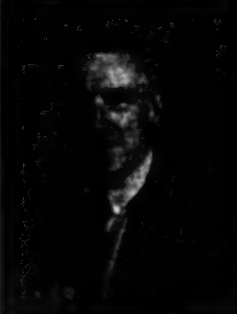




2. Provide leadership in the form of advice, facilitation and direction to Ontario's Marketing Boards and Section 12 Representative Associations.
3. Develop and implement all policy related to regulated marketing in Ontario.
4. Provide education programs for Ontario's Marketing Boards, Section 12 Representative Associations and industry stakeholders in order to increase the effectiveness and efficiency of the regulated marketing system.
5. Make regulations under the *Milk Act* concerning the quality and safety of cow and goat milk and milk products.

The Commission is directly accountable to the Minister of Agriculture, Food and Rural Affairs for its performance in fulfilling its mandate and its compliance with government policies and directives. The Minister, in turn, is accountable to Cabinet and the Legislature for the Commission's fulfillment of its mandate and for reporting on the Commission's affairs.

The Commission is the central figure in Ontario's regulated marketing system. Through its actions, it ensures that individual commodity systems operate in an effective and responsible manner. This is done with due regard to the impact of Commission decisions on the agri-food sector and consumers, while at the same time maintaining the public policy goals of the legislation.

COMMISSION MEMBERS 2010 - 2011

	<p>Geri Kamenz Chair</p> <p>President Buckstop Farm Ltd., Spencerville. Past President, Ontario Federation of Agriculture. Past member, Canadian Federation of Agriculture's Environment and Science Committee; Canadian Farm Debt Mediation Appeal Board; Canadian Agri-Food Research Council.</p> <p>Appointed December 10, 2008 Current Appointment Expires December 9, 2013</p>		<p>Deborah Whale Vice-Chair</p> <p>Owner/operator Clovermead Farms (dairy, beef and veal), Wellington County. Past board member Farm Credit Canada. Ontario Livestock and Poultry Council, Chair of Insurance Committee. Ontario Agricultural Hall of Fame, Board of Directors. Poultry Research Council, Board of Directors. Ontario Institute of Agrologists, Board of Directors.</p> <p>Appointed March 10, 2004 Current Appointment Expires June 19, 2012</p>
	<p>Elmer Buchanan Vice-Chair</p> <p>Partner in Elmlea Farm (alpacas, llamas and angora goats), Peterborough County. Former Ontario Minister of Agriculture, Food and Rural Affairs. Retired vice-principal, elementary and secondary school teacher, Hastings County.</p> <p>Appointed June 20, 2007 Current Appointment Expires June 24, 2013</p>		<p>Jim Clark Member</p> <p>Executive Director, Ontario Cattle Feeders' Association. Former Senior Policy Advisor (Stakeholder Relations) for Office of the Ontario Minister of Agriculture, Food and Rural Affairs.</p> <p>Appointed June 20, 2007 Current Appointment Expires June 19, 2011</p>

	<p>Tom Richardson Member</p> <p>Retired Acting Assistant Deputy Minister of Policy, Agriculture and Agri-Food Canada.</p> <p>Appointed March 23, 2005 Current Appointment Expires March 22, 2013</p>		<p>Bob Aumell Member</p> <p>Owner/consultant Aumell Agri-Consulting, specializing in managing change in agriculture. Retired from providing credit services to Canadian farmers with Farm Credit Canada.</p> <p>Appointed March 23, 2005 Current Appointment Expires March 22, 2013</p>
	<p>Carolyn Fuerth Member</p> <p>Partner in Ewe Dell Family Farms (sheep and cash crop, plus provincially inspected abattoir), Essex County. Past President of Ontario Agri-Food Education Inc. Past Director, Ontario Federation of Agriculture.</p> <p>Appointed October 3, 2004 Current Appointment Expires March 10, 2012</p>		<p>Anna Andres Member</p> <p>Partner in tender fruit farm, Niagara Region, and part owner Niagara Harvest (cherry processing facility). Past President Niagara Peninsula Fruit and Vegetable Growers Association. Former member Produce Arbitration Board, and Agriculture, Food and Rural Affairs Appeal Tribunal</p> <p>Appointed June 14, 2005 Current Appointment Expires June 13, 2013</p>
	<p>Vance Drain Member</p> <p>President, Drain Poultry Ltd., Tweed Reeve, Municipality of Tweed, 2004 – 2007 Member of the Egg Farmers of Ontario from 1992 to 2000, including role as Vice Chair, 1997 & 1998</p> <p>Appointed January 13 2010; Current Appointment Expires January 12, 2012</p>		

PERFORMANCE MEASURES: Strategic Objectives

#1: Ensure Effective Performance of Marketing Boards

Goal/Outcome: 1. An effective regulated marketing system		
Measures	2010/2011 Commitment	End of Year Results
a) Marketing Boards and Section 12 Representative Associations demonstrate commitment to maintain the integrity of the regulated marketing system.	Conduct reviews with at least four Boards and/or Associations to evaluate each organization's performance in the area of maintaining the integrity of the regulated marketing system	Fourteen Boards and Associations appeared before the Commission to report on their organizations' activities and performance
	Work with Boards and Associations to encourage ongoing strategic planning	Continue to work with Boards/Associations on Strategic planning; generally, larger Boards have plans in place. The Ontario Bean Producers' Marketing Board undertook a strategic planning exercise entailing a producer survey and a delegates meeting. The Grain Farmers of Ontario also completed a Strategic Plan during 2010.
	Conduct Commission sponsored new director training which involve the topic "appropriate use of regulatory authorities"	The Commission worked with the Canadian Cooperative Association/Brown Governance on a new approach to governance training. A successful session was delivered on April 5, 2011.
	During staff updates and in review meetings, require Boards and Associations to report on how they are responding to emerging differentiated markets as well as other marketing opportunities such as the "buy local" campaign.	This topic was regularly addressed by Commission Members and staff in discussions with Boards and Associations. Many Boards have reported on their progress in the "buy local" campaign and have commented on its positive impact.

Goal/Outcome: 1. An effective regulated marketing system		
b) Marketing Boards and Section 12 Representative Associations demonstrate sound financial management which delivers on their respective mission statements	Assess financial statements of all Boards and Associations by reviewing trends and ratios	An annual assessment of financial statements was completed by Commission staff for all Boards and Associations.
	Work with identified Boards and Associations to improve transparency of financial statements	A review was done and no specific weaknesses were noted, nor were any specific Boards or Associations identified as requiring improvements.
	Track adherence of Boards and Associations to Commission policies as articulated in Regulations 400 and 421 and the equivalent regulations under the <i>Milk Act</i> . Review those regulations to ensure all reporting requirements are included, and amend as needed	All Boards are compliant with the current regulations.
	Encourage Boards and Associations to incorporate value-added financial reporting in their communications to their producers	A number of Boards provide detailed information on research initiatives funded by producer's dollars.
c) Marketing Boards and Section 12 Representative Associations demonstrate strong governance practices	Develop and/or identify existing resources for Boards and Associations on the topic of improving efficiency and effectiveness of meetings	Done on an as-needed basis for specific Boards or Associations through on-going mentoring support.
	Develop models/options on the principles of Board governance	Done on a case-by-case basis with Boards dealing with governance issues.
	Work with at least four Boards and/or Associations to review and update their governance structures	Updated the governance structure for Ontario Pork and the Ontario Fresh Grape Growers' Marketing Board. Working with the Ontario Sheep Marketing Agency and with the Ontario Asparagus Growers' Marketing Board on governance issues.

Goal/Outcome: 1. An effective regulated marketing system		
d) Senior staff and elected members of Marketing Boards and Section 12 Representative Associations have the skills and knowledge required to effectively lead their organizations	Encourage all new directors and senior staff of Boards and Associations to participate in Commission-sponsored new director training.	Invitations were extended to all Marketing Boards and Associations to participate in spring director training sessions. Twenty directors and senior staff attended the training session on April 5, 2011. In addition targeted training was provided to Grape Growers of Ontario
	During review meetings with Boards and Associations, discuss the concept of learning plans for directors, senior staff and other appropriate elected officials	Efforts regarding director and senior staff training were reviewed as part of the evaluation of Boards and associations that came before the Commission in 2010 - 11.

#2: Foster Enhanced Stakeholder Collaboration to Achieve Sector Solutions

Goal/Outcome: 1. Marketing Boards and processors have effective working relationships		
Measures	2010/2011 Commitment	End of Year Results
a) Marketing Boards and processors routinely collaborate to resolve industry issues	Take lead role to foster dialogue and reduce/manage stakeholder conflicts in targeted industries	The Commission placed a strong emphasis on Industry Advisory Committees (IACs) in 2010 - 11. IACs for the chicken, hog, white bean and grain sectors were credited last year. On-going IACs for greenhouse vegetables, fresh apples and grapes for processing were also active in 2010 - 11.
b) Sound processes are in place to address industry issues.	Require Marketing Boards and Associations that appear for their reviews to demonstrate commitment to sector collaboration	The Commission placed a strong emphasis on working cooperatively along the value chain when Boards and Associations met with the Commission

#3: Advance Ontario's Interests in Regulated Marketing

Goal/Outcome: 1. Active support of supply-managed Boards through participatory involvement in national marketing systems		
Measures	2010/2011 Commitment	End of Year Results
a) Supply management systems are more flexible and responsive, allowing for continued industry growth.	Develop Ontario positions that reflect broad stakeholder consensus	The draft Federal-Provincial Agreement for broiler hatching eggs was examined in consultation with the industry.
	Work to ensure Ontario's policy direction on relevant issues is well understood by all signatories to supply management	The Commission was guided by a policy which defends Ontario's current national market share of supply-managed commodities when participating at national meetings.
	Develop and implement a strategy aimed at maximizing influence at the national level on specific issues	In discussions with supply-managed Boards, the Commission continues to reiterate the position that Ontario needs to have its voice heard at the national table with the objective of securing a larger share of national production in Ontario.
	Assist Boards to deal with adjusting to potential outcomes of the WTO agricultural negotiations	Continued to actively monitor developments related to the WTO and other trade negotiations.
Goal/Outcome 2: A regulated marketing system that adapts to change		
a) The regulatory framework provides for growth, investment and increased productivity.	Continue efforts towards having a responsive/flexible regulatory system in place.	Regulations under the <i>FPMA</i> and the <i>MA</i> are regularly amended to ensure they respond appropriately to changes in the marketplace.
	Continue to work with sheep and asparagus Marketing Boards to review marketing authorities to ensure relevance to current market conditions.	Efforts are currently in progress to review marketing authorities for sheep and asparagus.

COMMISSION ACTIVITIES

Appearances by Boards and Section 12 Associations

Throughout the year, and as part of the Commission's efforts to ensure the effective performance of Marketing Boards and Representative Associations, Members met with representatives of 11 Marketing Boards and of three Section 12 Representative Associations. The following organizations made one or more appearances at regularly-scheduled Commission meetings:

- Chicken Farmers of Ontario
- Turkey Farmers of Ontario
- Grain Farmers of Ontario
- Ontario Flue-Cured Tobacco Growers Marketing Board
- Ontario Processing Vegetable Growers
- Dairy Farmers of Ontario
- Ontario Ginseng Growers Association
- Ontario Pork Producers' Marketing Board
- Ontario Bean Producers' Marketing Board
- Flowers Canada (Ontario)
- Ontario Sheep Marketing Agency
- Ontario Asparagus Growers' Marketing Board
- Ontario Coloured Bean Growers' Association
- Ontario Potato Board

Appearances by Other Stakeholders

Commission Members met with representatives of three stakeholder groups at regularly-scheduled Commission meetings during the year. These included:

- Representatives of the Ontario turkey processing sector
- Ontario Dairy Council
- Ontario Veal Association

Licences

Under the *FPMA*, the Commission has the authority to issue licences to processors of grapes, asparagus, potatoes, tender fruit and processing vegetables, and to dealers of seed corn. The table below reports the total number of active licences issued by the Commission, and the number of licences issued, by commodity, during 2010 - 2011.

Commodity	Total Active Licences issued by the Commission as of March 31		Licences issued* by the Commission during the 12 months ending March 31	
	2011	2010	2011	2010
Asparagus	3	2	1	0
Grapes	267	253	19	28
Potatoes	25	24	1	0
Tender Fruit	51	47	4	2
Processing Vegetables	23	23	1	0
Seed Corn	7	7	0	1
Total	376	356	26	31

*Includes term licences that were reissued. Licences to process five different commodities were issued to one licensee in May, 2010 (Naturally Norfolk Inc.)

Ferndale Vineyards Inc ("Ferndale"), Jordan, Ontario – Following a complaint by the Grape Growers of Ontario ("GGO"), a Commission panel held a hearing on November 15, 2010 in Thorold, Ontario to consider whether or not Ferndale's "Licence as a Processor of Grapes" should be suspended or revoked. The Commission's decision was to allow Ferndale 120 days to pay all outstanding monies owed to three grape growers and to the GGO. Failure to do so would result in the revocation of the licence by the Commission. No payments had been made by the March 15, 2011 deadline; accordingly, Ferndale's licence was revoked by the Commission on March 16, 2011.

Changes to Licencing Policies and Procedures – The Commission approved changes to its licencing program. The most significant change involved setting a five year term for any new or reissued licence, effective April 1, 2011. The changes will allow for improved administration of the program.

Improving Relationships in Ontario's Chicken Industry

The Commission continues to work with chicken industry stakeholders, through the CIAC, to improve the relationship between the parties. Through the CIAC the industry has agreed to and has started to develop an industry strategic plan. In addition, the parties have reached agreement with their Quebec counterparts to address the issue of interprovincial movement of live chicken.

Agreement on Internal Trade

A revision to the agricultural chapter of the AIT also included an accelerated hearing process for existing disputes that were deemed to be unresolved. The province of Alberta challenged certain provisions in Ontario's regulations under

the *Milk Act*. Alberta's position was supported by the governments of British Columbia, Saskatchewan and Manitoba by their participation as intervenors.

A hearing was held in July 2010 and the three member panel issued its decision in October 2010. The panel's decision found that Ontario's regulations that regulated the manufacture and sale of dairy-edible oil spreads and prohibited the manufacture and sale of filled milk products were inconsistent with Ontario's obligations as a party to the AIT. The panel's decision required Ontario to bring itself into compliance by February 1, 2011 or face the potential for further proceedings that could have resulted in the imposition of monetary penalties against Ontario.

The Commission worked with the impacted sectors and approved regulatory amendments in December 2010. The amended regulations were filed and came into effect prior to the February 1, 2011 deadline.

Ginseng: Changes in Fees

At the request of the Ontario Ginseng Growers Association, the Commission approved an increase in the licence fee from \$50 per acre to \$75 per acre commencing on January 1, 2011. The Association had not changed its fees since its designation by the Commission in 2001. As the acreage fluctuates and costs are on the rise, an increase in the fees allowed the Association to maintain a modest reserve to be able to participate in future cost-sharing programs to promote ginseng, educate growers and pursue research.

Implementing the Minister's Hog Marketing Decision

Regulations' 403/10 and 439/10 which underpin the Ontario Pork Producers' Marketing Board (Ontario Pork) were implemented to replace regulations 420 and 419. The new regulations fulfil the directions outlined in the Minister's decision of May 13, 2010. The Minister's decision supported a new more streamlined electoral structure for the Ontario Pork to reflect today's producer profile in Ontario. In addition, her decision entailed a key change to the board's hog marketing authorities to accommodate an open market approach.

Training

Training for Boards and for Commission Members continued to be an important focus during 2010 – 2011. The Commission entered into agreements with the Canadian Cooperative Association and the Rural Ontario Institute to offer several training sessions on governance-related topics to Marketing Boards and Section 12 Representative Associations during March and April 2011.

As part of an on-going commitment to self-improvement, Commission Members participated in a number of learning opportunities.

- Members received a presentation on value chains from Martin Gooch of the Value Chain Management Centre on June 17, 2010.
- An "Organization Development Day" was held on December 14, 2010;
- Members toured the facilities of Conestoga Meat Packers of Breslau and Organic Meadow Dairy of Guelph on February 16, 2011;
- Members received training on Legislative and Regulatory matters on March 20, 2011;
- Further plans for Member training were developed for 2011 – 2012.

Other Commission Activities/Accomplishments

Memorandum of Understanding – On December 7, 2010, Commission Members approved a draft Memorandum of Understanding (MOU) between the Chair, OFPMC and the Minister, OMAFRA. The MOU also required approval by Minister Mitchell and by Treasury Board. The MOU provides a framework for the Commission's business and the relationship involving the Minister, the Chair, the Deputy Minister, Commission Members and the Secretary to the Commission/Director of the OFPMC Secretariat.

Ontario Veal Association: Work towards Marketing Board status - Commission staff and Members worked extensively with the Ontario Veal Association to assist them in their efforts to develop plans to form a marketing board. As of the end of fiscal year 2010 - 2011, the Association was considering its next steps on this initiative.

Appointments

- Dr. Frank Ingratta was reappointed to the position of Chair, Grape Processing Industry Advisory Committee by the Commission on April 21, 2010.
- The Commission appointed Jim Clark to the position of Chair, Hog Industry Advisory Committee (HIAC) on May 19, 2010.
- On May 19, 2010, the Commission appointed:
 - eight representatives of dairy processors and distributors and eight dairy producers to The Advisory Committee for Milk;
 - five representatives of dairy processors and distributors and five dairy producers to The Advisory Committee on Transportation of Milk;
 - eight representatives of dairy processors to The Advisory Committee for Processors.
- Vice-Chair Deborah Whale was appointed by the Commission as the Chair of the Grain Industry Advisory Committee for a one year term, effective June 16, 2010.
- Pursuant to the authority under Regulation 418 (Greenhouse Vegetables – Plan), Don Taylor of Durham, Ontario was appointed as Chair of the Ontario Greenhouse Vegetable Growers effective November 1, 2010 for a period up to October 31, 2011.

- On August 5, 2010, the Commission made the following one-year appointments related to the Chicken Industry Advisory Committee:
 - G. Kamenz, E. Buchanan and P. Glenney as the Commission's representatives to the "Team Ontario Partnership Steering Committee" (a.k.a. Chicken Industry Advisory Committee ("CIAC")). G. Kamenz was also appointed as Chair of the Committee;
 - E. Buchanan as the Commission's representative to the Ontario Chicken Allocation Working Group. E. Buchanan was also appointed as the Chair of the Working Group;
 - T. Richardson as the Commission's representative to the Value Chain Development Working Group. T. Richardson was also appointed as the Chair of the Working Group;
 - D. Whale as the Commission's representative to the Risk Management and Sustainability Working Group. D. Whale was also appointed as the Chair of the Working Group.
- On August 11, 2010, under the authority of Regulation 414 (Grapes for Processing – Marketing) the Commission appointed the following individuals as the processor members of the 2010 negotiating agency for Classes 1, 2 and 3 grapes:
 - Anthony Bristow, Andrew Peller Ltd.
 - Brendan Wall, Andrew Peller Ltd.
 - Tom Sauder, Andrew Peller Ltd.
- The Commission made the following reappointments to the board of the Ontario Flue-Cured Tobacco Growers Marketing Board on October 20, 2010. The terms are not to exceed December 31, 2011.
 - Fred Neukamm, Chair
 - Harry Vergeer, Vice Chair
 - Trish Fournier, Board Member
 - Dennis VanHooren, Board Member
 - John Vamos, Board Member
- Jim Clark was appointed as Chair of the Bean Industry Advisory Committee on October 21, 2010.
- On December 15, 2010, the Commission appointed Jim Clark as Chair of HIAC, as constituted under the new Regulation 439/10. The Commission also appointed the following individuals to the HIAC for the period January 1, 2011 to December 31, 2011.
 - Wilma Jeffray, Ontario Pork
 - Amy Cronin, Ontario Pork
 - Brian Simpson, Shamrock Genetics
 - Cathy Aker, Fearmans
 - Bob Hunsberger, Conestoga Meat Packers
 - Dan Cohoe, Quality Meat Packers Ltd.
 - Allen Van Ravensway, Nature Veal Service Ltd
 - Brad Zantingh, Zantingh Direct
- On March 31, 2011, the Commission appointed Mr. Jim Greenwood as the Inspector of the Ontario Ginseng Growers Association responsible for the measuring of ginseng acreage, for a two year term.

Industry Advisory Committees

Given the growing number of Industry Advisory Committees (IACs), the Commission developed guidelines for best practices for the use of the Chairs of the Committees. The four key areas highlighted included: Establishment, Operations, Communications and Review. Highlights from activities of the various IACs are outlined below.

Greenhouse Vegetable Industry Advisory Committee - The GVIAC met three times during 2010/11. Growers and marketers are appointed by their respective associations and all major retailers are encouraged to participate. The topics have included discussions on post harvest storage, quality, consumer preferences and other opportunities to work together with the common goal of increasing the sales of Ontario greenhouse vegetables. Elmer Buchanan is the Chair this committee.

Fresh Apple Industry Advisory Committee - This committee met frequently to discuss market conditions and agree on joint promotional efforts. To celebrate the 200th anniversary of the McIntosh apple, an Apple Ball was held on Family Day for families in Toronto to gather to learn more about apples and how they are grown in Ontario. Participants include growers appointed by the Ontario Apple Growers and marketers appointed by the Ontario Apple Marketers Association.

Grapes for Processing Industry Advisory Committee (GPIAC) - The GPIAC met seven times in 2010 - 11. The committee is chaired by Dr. Frank Ingratta who was appointed by the Commission. The GPIAC membership includes the Wine Council of Ontario, the Winery and Grower Alliance of Ontario and the Grape Growers of Ontario.

In 2010 - 11, the GPIAC focused on the recommendations that the Commission made to the Minister on improving the marketing of processed grapes. These included: altering the sugar payment schedule to reward higher quality grapes; discussions on the use of a standardized contract and a licence fee reduction for integrated wineries on the use of their own grapes. GPIAC discussions also led to the implementation of a plateau pricing pilot which made four varieties of grapes within a given sugar range available to processors at a reduced price. The industry participants of GPIAC also successfully arrived at a two year pricing agreement which gave grape growers needed certainty.

Grain Industry Advisory Committee (GIAC) - The Committee met once in 2010 - 11 as required by regulation. The Committee is chaired by the Vice Chair of the Commission, Deborah Whale. The membership of GIAC includes grain processors, the Grain Farmers of Ontario, the Ontario Agribusiness Association, flour millers and the Ontario Seed Trade Association. At the inaugural meeting of the committee there was an opportunity for the participants to identify industry issues of importance. The committee

indicated regulatory issues, research and development, the transition of the industry to addressing the needs of the energy sector and producing consumer crops of high value, and environmental sustainability were high priorities.

Hog Industry Advisory Committee (HIAC)

The HIAC was appointed to work out the details concerning a new hog marketing regulation. With the regulation now in place, the HIAC continues to serve as a sounding board and as a catalyst to address hog marketing issues in Ontario.

Bean Industry Advisory Committee (BIAC)

The BIAC was reactivated when the 2010 white bean crop surprised producers and dealers alike with a considerable level of anthracnose. The disease detracts from the visual appeal of beans but poses no health concerns. Through discussion and further study, the industry players have agreed on how to manage the risk on a going-forward basis.

Chicken Industry Advisory Committee (CIAC)

In 2010 – 11, the Commission established the CIAC by regulation. This was the result of work with the Chicken Farmers of Ontario (CFO) and the Association of Ontario Chicken Processors (AOCP) to enhance the working relationship between the parties as well as to advance and optimize Ontario's interests in the chicken industry. The CIAC is composed of representatives of CFO, AOCP and the Commission.

Legislative and Regulatory Changes

The Commission is established under the *Ministry of Agriculture, Food and Rural Affairs Act (MAFRAA)* and receives its authority to make regulations under the *Farm Products Marketing Act (FPMA)*. The Commission may recommend legislative changes to the Minister.

The Commission has extensive regulation making authority including various powers to establish, amend and/or revoke provisions in some 60 regulations. Each year, Boards, Associations and other stakeholders approach the Commission with proposals to amend or revoke existing regulations or to make new ones. The Commission was active on a number of these regulatory matters in fiscal 2010 – 2011. A summary of regulatory amendments by the Commission appears in Appendix A.

Agreements and Awards

The Commission has the authority to bring into force agreements and awards made by certain Boards and processors. A summary of the

agreements and awards that were brought into force by the Commission during fiscal year 2010 – 2011 can be found in Appendix B.

Arbitrators and Conciliators

On March 31, 2011, the Commission approved a list of Arbitrators and a list of Conciliators for the use of negotiating marketing boards and food processors. No arbitrators or conciliators were appointed by the Commission during 2010 – 2011.

Annual General Meetings

All Boards and Associations held annual general meetings during 2010 – 2011. Members and Commission staff represented the Commission at these meetings. Appendix C lists all Marketing Boards and Section 12 Representative Associations reporting to the Commission as of March 31, 2011.

2011 Marketing Board Survey

In its 2010 – 2013 Strategic Plan, the Commission committed to soliciting "...feedback from all Boards on Commission Performance". Late in 2010, Commission staff were directed to conduct a survey of all Marketing Boards and Section 12 Representative Associations early in 2011, with a report to members at the March, 2011 meeting. Copies of the 2011 survey (hard copy and electronic) were sent to the Boards and Associations in January 2011, with a deadline to return comments by February 28, 2011.

Of the 20 Marketing Boards and four Section 12 Representative Associations contacted, 15 Marketing Boards and all four Section 12s submitted responses. This represents a 79% response rate. Respondents generally had a favourable view of the Commission, its work, staff and Members. Results will help guide the Commission during its 2011 December strategic planning session; another survey will be conducted in January, 2014. Survey results were distributed to all Boards and Section 12 Representative Associations.

FINANCIAL PERFORMANCE

The Commission operates within the budget of the Ministry of Agriculture, Food and Rural Affairs and therefore does not have its own audited financial statements. The Commission's resource requirements are incorporated into the ministry's business plan. A summary of the Commission's financial performance is presented below.

Expenditure	Allocation	Actuals	Variance*
Salaries and Wages	\$963,900	\$966,807	(\$2,907)
Employee Benefits	\$153,800	\$110,159	\$43,641
Transportation and Communications	\$132,883	\$119,327	\$13,556
Services	\$161,017	\$362,691	(\$201,674)
Supplies and Equipment	\$7,000	\$7,626	(\$626)
Recoveries	\$0	\$0	\$0
Totals	\$1,418,600	\$1,566,610	(\$148,010)

*Higher than expected expenditures can be attributed to a number of factors including increased Member activity through additional Industry Advisory Committees and additional legal costs associated with drafting regulations.

STAFF

Staff Serving the Commission, 2010 - 2011

Commission Secretariat	
George McCaw	Secretary to the Commission/Director, OFPMC Secretariat
Lorne Widmer	Executive Assistant to the Director
Susan Pharand	Administrative Services Representative
Regulated Marketing Unit	
Arva Machan	Manager
Paul Glenney	Marketing Analyst
Sophia Dinnissen	Marketing Analyst
Marilyn Sewell	Marketing Analyst
Laurinda Lang	Marketing Analyst
John Fitzgerald	Marketing Analyst
Rob Gamble	Marketing Analyst
David Meinen	Marketing Analyst
Jill Clemen Emily MacDonald	Administrative Services Representatives

APPENDICES

Appendix A: Legislative and Regulatory Changes

Name of New or Amended Regulation	Number of Regulation	Commission Action	Key Dates
Tender Fruit – Plan (Regulation 434 under the <i>FPMA</i>)	O. Regulation 170/10 amends Regulation 434	Approval of amendments to Regulation 434 to provide additional marketing authorities to the Ontario Tender Fruit Marketing Board for nectarines	Recommended by the Commission on April 22, 2010; Made by LGIC on May 12, 2010; in force May 17, 2010
Tender Fruit – Marketing (Regulation 433 under the <i>FPMA</i>)	O. Regulation 251/10 amends Regulation 433	Approval of amendments to Regulation 433 to provide additional marketing authorities to the Ontario Tender Fruit Marketing Board for nectarines	Made by the Commission on May 19, 2010; in force June 18, 2010
Fees – Administration and Enforcement of Delegated Legislation (Regulation 143/98 under the <i>Milk Act</i>)	O. Regulation 184/10 amends Regulation 143/98	Approval of amendments to Regulation 143/98 to delegate additional Commission powers to the Dairy Farmers of Ontario to make regulations regarding fees	Made by the Commission on May 19, 2010; in force June 1, 2010
Milk and Milk Products (Regulation 761 under the <i>Milk Act</i>)	O. Regulation 185/10 amends Regulation 761	Approval of amendments to Regulation 761 concerning the sampling and testing of raw milk	Made by the Commission on May 19, 2010; in force June 1, 2010

Name of New or Amended Regulation	Number of Regulation	Commission Action	Key Dates
Apples – Plan (Regulation 123/04 under the <i>FPMA</i>)	O. Regulation 253/10 amends Regulation 123/04	Approval of amendments to Regulation 123/04 concerning the governance and authority of the Ontario Apple Growers	Made by the Commission on May 19, 2010; Minister's approval on June 17, 2010; in force June 18, 2010
Grapes for Processing – Marketing (Regulation 414 under the <i>FPMA</i>)	O. Regulation 297/10 amends Regulation 414	Approval of amendments to Regulation 414 to change the membership of the Grapes for Processing Industry Advisory Committee to include the Winery and Grower Alliance of Ontario, and other related changes.	Made by the Commission on June 22, 2010; in force July 19, 2010
Designation – Ontario Ginseng Growers' Association (Regulation 340/01 under the <i>FPMA</i>)	O. Regulation 424/10 amends Regulation 340/01	Recommendation of amendments to Regulation 340/01 that would increase the annual fees of the Ontario Ginseng Growers Association to \$75/acre	Recommended by the Commission on October 21, 2010; Approved by Cabinet; in force, January 1, 2011
Hogs – Plan (Regulation 403/10 under the <i>FPMA</i>)	O. Regulation 403/10 replaces O. Regulation 420	Recommendation of the new Regulation 403/10 to change the governance and electoral structures of Ontario Pork.	Amendments Recommended by the Commission on April 22, 2010; Made by the LGIC on October 20, 2010; In force, January 1, 2011

Name of New or Amended Regulation	Number of Regulation	Commission Action	Key Dates
Hogs – Marketing (Regulation 439/10 under the <i>FPMA</i>)	O. Regulation 439/10 replaces O. Regulation 419	Approval of the new Regulation 439/10 to allow for an open market approach for the hog sector	Made by the Commission on November 26, 2010; in force December 4, 2010.
Hogs – Plan (Regulation 403/10 under the <i>FPMA</i>)	O. Regulation 41/11 amends Regulation 403/10	Approval of the amendment to Regulation 403/10 to correct drafting oversights.	Made by the Commission February 8, 2011; approved by the Minister March 3, 2011; in force March 4, 2011
Fresh Grapes – Plan (Regulation 411 under the <i>FPMA</i>)	O. Regulation 28/11 amends Regulation 411	Recommendation of amendments to Regulation 411 that change the governance structure of the Ontario Fresh Grape Growers Marketing Board	Made by the Commission January 25, 2011; Approved by the Minister on February 9, 2011; in force on February 9, 2011
Milk and Milk Products (Regulation 761 under the <i>Milk Act</i>)	O. Regulation 9/11 amends Regulation 761	Approval of consequential amendments to O. Reg. 8/11 deleting provisions in Reg 761 that referred to dairy-edible oil spreads.	Made by the Commission on December 16, 2010; in force January 31, 2011

Name of New or Amended Regulation	Number of Regulation	Commission Action	Key Dates
Grades, Standards, Designations, Classes, Packing and Marking (Regulation 753 under the <i>Milk Act</i>)	O. Regulation 8/11 amends Regulation 753	Approval of amendments to discontinue the regulation of filled milk products and dairy-edible oil spreads as milk products, including removal of a prohibition on the manufacture and sale of filled milk products and removal of processing, composition and labelling standards for dairy/edible oil spreads	Made by the Commission on December 16, 2010; in force January 31, 2011
Milk and Milk Products (Regulation 761 under the <i>Milk Act</i>)	O. Regulation 9/11 amends Regulation 761	Approval of consequential amendments to O. Reg. 8/11 deleting provisions in Reg 761 that referred to dairy-edible oil spreads.	Made by the Commission on December 16, 2010; in force, January 31, 2011
Chickens – Marketing (Regulation 402 under the <i>FPMA</i>)	O. Regulation 525/10 amends Regulation 402	Approval of amendments to Regulation 402 to authorize the establishment of a Chicken Industry Advisory Committee	Made by the Commission on December 16, 2010; in force, January 1, 2011
Chickens – Marketing (Regulation 402 under the <i>FPMA</i>)	O. Regulation 129/11 amends Regulation 402	Approval of amendments to Regulation 402 to authorize additional powers to the Chicken Farmers of Ontario regarding the quality of chickens marketed.	Made by the Commission on March 31, 2011; in force April 21, 2011

Name of New or Amended Regulation	Number of Regulation	Commission Action	Key Dates
Milk and Farm-Separated Cream – Marketing (Regulation 354/95 under the <i>Milk Act</i>)	O. Regulation 115/11 amends Regulation 354/95	Approval of amendments to Regulation 354/95 would provide additional powers to the Dairy Farmers of Ontario to support implementation of the Canadian Quality Milk program	Made March 30, 2011; in force, April 12, 2011

Appendix B: Agreements and Awards

Agreement(s)	Date brought into force by the Commission
Three agreements between the Ontario Processing Vegetable Growers and various food processors for the 2010 crop of: tomatoes, cucumbers, peppers, peas, corn, pumpkin, squash, carrots, green and wax beans, beets, cabbage, lima beans and cauliflower.	April 21, 2010
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-98	May 22, 2010
Arbitrator's decision regarding the price of tomatoes to be used for paste during the 2010 crop year between H. J. Heinz and the Ontario Processing Vegetable Growers	May 19, 2010
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-99	July 17, 2010
Two year agreement on minimum prices for hybrid and vinifera grapes signed by the Grape Growers of Ontario, the Wine Council of Ontario and the Winery and Grower Alliance of Ontario on July 28, 2010	July 22, 2010
The methodology for calculating the producer margin on the price of live chicken, as per the agreement dated July 29, 2010 between the Chicken Farms of Ontario and the Association of Ontario Chicken Processors	August 11, 2010
The absolute price for live chicken of 45.17 cents per kilogram for the period of A-100 to A-105, as agreed to by the Chicken Farmers of Ontario and the Association of Ontario Chicken Processors.	August 11, 2010
2010 Agreement between the Grape Growers of Ontario and representatives of grape juice processors for Classes 1, 2 and 3 grapes for processing.	September 8, 2010
Award of the Arbitrator of five cents per pound for fall juice apples based on the Arbitrator's selection of the final offer of apple juice processors over apple producers.	September 8, 2010
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-100	September 11, 2010

Agreement(s)	Date brought into force by the Commission
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-101	November 6, 2010
Agreement between Hartung/Smuckers and the Ontario Processing Vegetable Growers for the 2011 cucumber crop.	December 15, 2010 (retroactive to date signed by parties)
Agreement between Stubs and the Ontario Processing Vegetable Growers for the 2011 cucumber crop.	December 15, 2010 (retroactive to date signed by parties)
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-102	January 2, 2011
Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-103	February 26, 2011
Agreements between the Seed Corn Growers of Ontario, and: Pioneer Hi-Bred Production Ltd.; Pride Seeds; Maizex Incorporated; Horizon Seeds Canada Inc.; Hyland Seeds for the 2011 seed corn crop.	March 31, 2011

Appendix C: Boards and Associations as of March 31, 2011

Marketing Boards

The *Milk Act* provides authority to one marketing board that regulates milk and cream.

- Dairy Farmers of Ontario

The *Farm Products Marketing Act* governs the other nineteen marketing boards in Ontario as well as the four representative associations designated under Section 12 of the act.

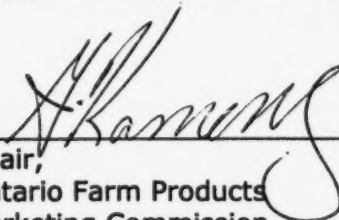
- Chicken Farmers of Ontario
- Egg Farmers of Ontario
- Grain Farmers of Ontario
- Grape Growers of Ontario
- Ontario Apple Growers
- Ontario Asparagus Growers' Marketing Board
- Ontario Bean Producers' Marketing Board
- Ontario Broiler Hatching Egg and Chick Commission
- Ontario Flue-Cured Tobacco Growers' Marketing Board
- Ontario Fresh Grape Growers' Marketing Board
- Ontario Greenhouse Vegetable Growers
- Ontario Pork Producers' Marketing Board
- Ontario Potato Board
- Ontario Processing Vegetable Growers
- Ontario Sheep Marketing Agency
- Ontario Tender Fruit Producers' Marketing Board
- Ontario Tomato Seedling Growers' Marketing Board
- Seed Corn Growers of Ontario
- Turkey Farmers of Ontario

Section 12 Representative Associations

- Flowers Canada (Ontario) Inc.
- Ontario Canola Growers Association
- Ontario Coloured Bean Growers Association
- Ontario Ginseng Growers Association


SIGNATURES

I approve and submit this Annual Report.


Chair,
Ontario Farm Products
Marketing Commission

June 7, 2011
Date

I approve this Annual Report.


Minister,
Ministry of Agriculture, Food
and Rural Affairs

July 18, 2011
Date